

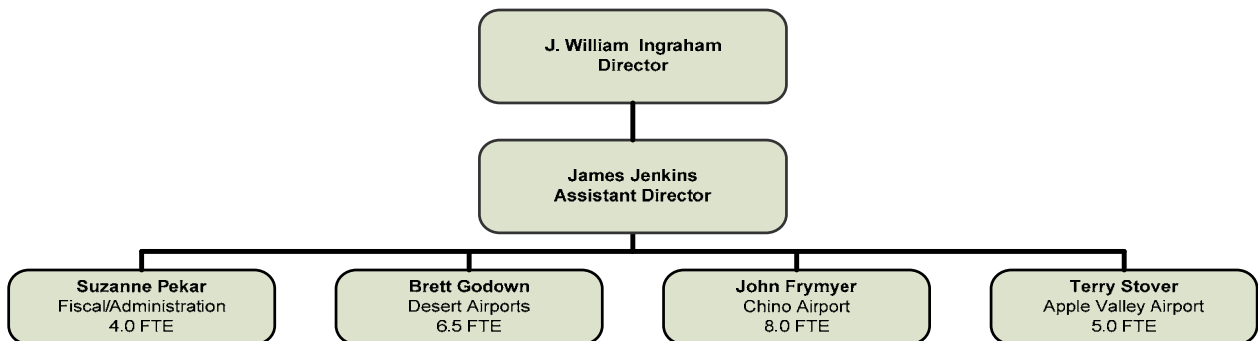
AIRPORTS

Bill Ingraham, Director

I. MISSION STATEMENT

The mission of the San Bernardino County Department of Airports is to plan, organize and direct the county's airport and aviation system to provide high-quality aviation facilities and services in a safe and efficient manner, optimizing the benefit to the communities and citizens of the county.

II. ORGANIZATIONAL CHART



III. DESCRIPTION OF MAJOR SERVICES

The Department of Airports provides for the management, maintenance and operation of six county airports and provides technical support to San Bernardino International Airport, a Joint Powers Authority comprised of the county and the cities of Colton, Highland, Loma Linda and San Bernardino. The department assures that county airports are maintained and operated in compliance with state and federal regulations. The department also assists the county's private and municipal airport operators in planning, interpreting and implementing state and federal aviation requirements.

The county's six airports include: Chino Airport, a FAA designated reliever to John Wayne Airport and one of the largest general aviation airports in the country with approximately 1,000 based aircraft; Apple Valley Airport, a county service area (CSA-60) with a significant sport aviation base; Barstow-Daggett Airport, an airport with significant military activity and home to the Fort Irwin Helicopter Maintenance Base; Twentynine Palms Airport, a center for soaring activity in addition to serving the community as a general aviation airport; Needles Airport, a critical transportation link and key point for medical and law enforcement activity along the Colorado River; and, Baker Airport, a small facility on land leased from the Bureau of Land Management that serves as an emergency landing field between Barstow and Las Vegas.

The department manages in excess of 400 leases ranging from aircraft parking to major aviation developments with leasing assistance provided by the Real Estate Services Department. The Department of Airports also oversees a \$35 million capital improvement program with assistance from the Architecture and Engineering Department.

The county's airports are self-supporting with funds to operate and maintain the airports generated from facility rents, user fees and, in the case of Apple Valley Airport, property taxes dedicated to the support of CSA-60. State and federal grants are significant sources for funds to reconstruct and upgrade airport infrastructure.

The department has a total of 29.5 employees with administrative offices in San Bernardino and staff at Apple Valley, Barstow-Daggett, Chino and Twentynine Palms airports. Support for Baker and Needles airports is provided by administrative staff located in San Bernardino and maintenance personnel located at the Barstow-Daggett Airport.

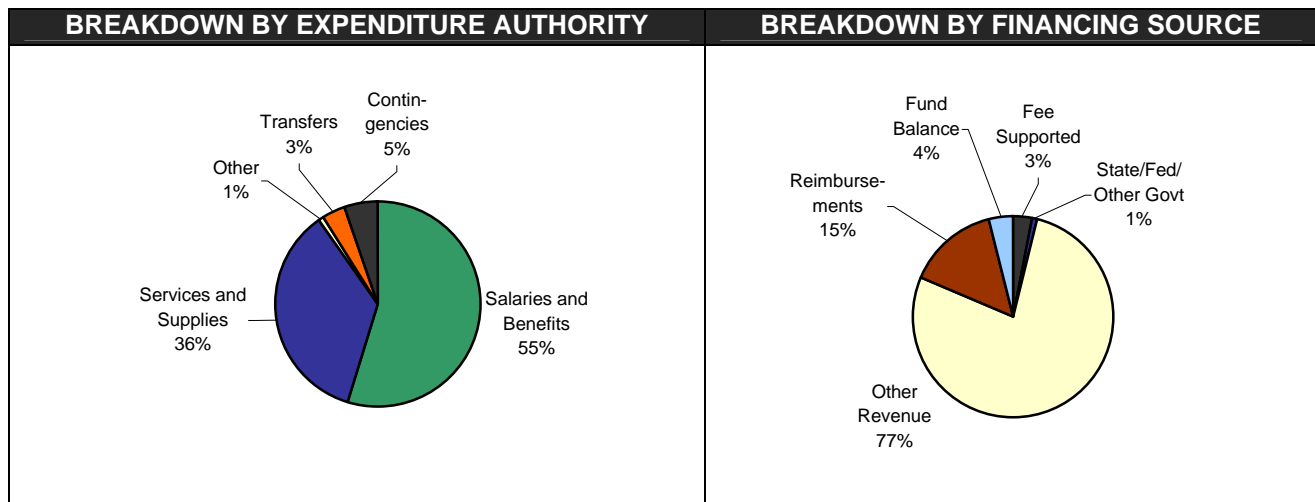
IV. 2005-06 ACCOMPLISHMENTS

- Completion of the Law Enforcement Facility at Apple Valley Airport.
- Completion of the 12 T-Hangars at Apple Valley Airport.
- Increase in the number of ground leases at Chino Airport.
- Completion of Runway Safety Area Improvement at Chino Airport.

V. 2006-07 SUMMARY OF BUDGET UNITS

	2006-07				
	Appropriation	Revenue	Local Cost	Fund Balance	Staffing
Airports	2,880,410	2,880,410	-		29.5
Chino Airport Commercial Hangars	868,582	702,396		166,186	-
TOTAL	3,748,992	3,582,806	-	166,186	29.5

VI. 2006-07 BUDGET



VII. GOALS, OBJECTIVES, AND PERFORMANCE MEASURES

GOAL 1: IMPROVE ADMINISTRATION OF LEASING ACTIVITY

Objective A: Reduce number of lease renewals not executed prior to expiration of prior lease term.

Objective B: Increase percentage of revenue producing land as related to usable land at Chino and Apple Valley Airports.

MEASUREMENT	2005-06 (Actual)	2006-07 (Projected)	2006-07 (Estimated)	2007-08 (Projected)
1A. Percentage of lease renewals not executed prior to lease expiration.	6%	5%	3%	0%
1B. Percentage of revenue producing land compared to land available for revenue production:				
- Apple Valley Airport	30%	35%	36%	42%
- Chino Airport	36%	40%	39%	41%

Status

The department derives most of its operating revenues from lease of facilities and ground leases. Most of these leases include provisions or options to extend the lease term provided that the tenant has remained in



compliance with lease obligations, including prompt payment of rents. Occasionally, and for a variety of reasons, a lease will complete its base term without being extended. When that occurs, the lease is considered to be in "holdover" and existing lease provisions apply, including rental rates. Reducing the number of lease renewals not executed prior to expiration of the prior lease term will enhance department rental revenues. As indicated above, it is expected that the percentage of lease renewals not executed prior to expiration will be reduced to 3% in 2006-07, with the objective in 2007-08 of having all leases renewed prior to expiration.

The department leases a variety of facilities including office space, shop space and hangars. Additionally, ground areas are leased to firms for development of aviation related facilities that revert to county ownership at the end of the lease term and, at Chino Airport, for short-term agricultural uses until such time that there is a demand for aviation development. Aviation related development demand has been increasing at Apple Valley and Chino Airports. There are areas of developable land at both of these airports that can be made available to developers, on in some cases, for development by the department. Through efforts of the department, the percentage of revenue producing land as compared to land available for revenue production has been increased; thus resulting in additional rent revenue for the department.

GOAL 2: IMPROVE COORDINATION AND MANAGEMENT OF AIRPORTS CAPITAL IMPROVEMENT PROGRAM
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Objective A: Continue to work with the Architecture and Engineering Department to reduce the average length of time required to complete airport capital improvement program projects.

MEASUREMENT	2005-06 (Actual)	2006-07 (Projected)	2006-07 (Estimated)	2007-08 (Projected)
2A. Average length of time to complete airport capital improvement projects (from the date a contract for the project's design is awarded).	24 months	18 months	20 months	18 months

Status

Development of Airports Capital Improvement Program projects requires coordination of activities among department administration, airport managers, airport maintenance staff and project managers from the Architecture and Engineering Department. The large number and complexity of projects adds to the project management challenge. Airports staff is in the process of developing project tracking systems that will incorporate the activities of all parties involved from the conception and funding of capital improvements through design and construction with the objective of further reducing the length of time it takes to fully complete projects. Accomplishing this objective will contribute to the safety of county airports, as well as augment lease revenues.

GOAL 3: MEASURE THE QUALITY OF CUSTOMER SERVICE AT THE AIRPORTS.

Objective A: Develop a customer service survey for existing tenants.

Objective B: Interpret data from returned surveys to formulate a plan to address deficiencies in airport customer service.

MEASUREMENT	2005-06 (Actual)	2006-07 (Projected)	2006-07 (Estimated)	2007-08 (Projected)
3A. Percentage of received surveys evaluated.	NEW	NEW	NEW	100%

Status

The department intends to survey existing tenants and determine what their needs/concerns are at the airports. Surveys will be sent to the tenants with a return envelope for the completed survey. Additional surveys will be available at the airports for those who may not be tenants but use the airport on a transient basis. Once the surveys have been returned, data will be processed and interpreted to determine the needs and concerns of the airport customers. After the data has been processed, the department will formulate and implement a plan to address those needs/concerns and provide the best customer service possible.



VIII. 2006-07 APPROVED ADDITIONAL GENERAL FUND FINANCING (POLICY ITEMS)

The department did not have any approved policy items for 2006-07.

IX. 2007-08 REQUESTS FOR ADDITIONAL GENERAL FUND FINANCING (POLICY ITEMS)

The department is not requesting any additional general fund financing for 2007-08.

X. 2007-08 PROPOSED FEE ADJUSTMENTS

DESCRIPTION OF FEE REQUEST	SERVICE IMPACTS
For 2007-08, the department is proposing inflationary increases for certain fees. These fees were last increased in 2001-02. The department will also be requesting new fees be established for participation in special events and for development of parcels at Apple Valley Airport.	The additional revenue is needed to offset the department's increased costs of maintaining the airports.

If there are questions concerning this business plan, please contact Bill Ingraham, Director of Airports, at (909) 387-7802.

